

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on January 22, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: None.

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

HB 199, 1/12/1999
SB 15, 1/18/1999
SB 14, 1/14/1999
SB 88, 1/18/1999
HB 272, 1/14/1999

Executive Action:

HJR 2 -Do Pass as Amended
SB 15 - Do Pass
SB 14 - Do Pass

HEARING ON HB 199

Opening Statement by Sponsor:

Rep. John Cobb, House District 50, opened the hearing.

{Tape : 1; Side : A; Approx. Time Counter : 1.9}

Proponents' Testimony:

Ron deYong, Montana Farmers Union

{Tape : 1; Side : A; Approx. Time Counter : 6}

Webb Brown, Montana Chamber of Commerce

{Tape : 1; Side : A; Approx. Time Counter : 7.1}

John Mundinger Montana Stockgrowers, Montana Woolgrowers, and
Montana Farm Bureau

{Tape : 1; Side : A; Approx. Time Counter : 8.7}

Opponents' Testimony: None

Informational Witnesses:

Jane Jelinski, Montana Association of Counties

{Tape : 1; Side : A; Approx. Time Counter : 9.4}

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 10.4}

Closing by Sponsor:

Rep. Cobb closed the hearing.

{Tape : 1; Side : B; Approx. Time Counter : .4}

HEARING ON SB 15

Opening Statement by Sponsor:

Sen. Mack Cole, Senate District 4, opened the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 1}

Proponents' Testimony:

Dave Woodgerd, Chief Counsel, Department of Revenue

{Tape : 1; Side : B; Approx. Time Counter : 2.9}

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 5.1}

Closing by Sponsor:

Sen. Cole closed the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 10.1}

EXECUTIVE ACTION ON SB 15

Motion/Vote:

REP. Harper MOVED that SB 15 BE CONCURRED IN. On a voice vote, the motion carried 19-0.

{Tape : 1; Side : B; Approx. Time Counter : 11.6}

HEARING ON SB 14

Opening Statement by Sponsor:

Rep. Alvin Ellis, Senate District 4, opened the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 16.7}

Proponents' Testimony:

Don Hoffman, Department of Revenue

{Tape : 1; Side : B; Approx. Time Counter : 18.2}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 19.3}

Closing by Sponsor:

Sen. Ellis closed the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 19.7}

EXECUTIVE ACTION ON SB 14

Rep. Harper MOVED that SB 14 BE CONCURRED IN. On a voice vote,
the MOTION PASSED, 19 - 0.

{Tape : 1; Side : B; Approx. Time Counter : 20.5}

HEARING ON SB 88

Opening Statement by Sponsor:

Sen. Barry "Spook" Stang, Senate District 36, opened the hearing.

{Tape : 1; Side : B; Approx. Time Counter : 21.5}

Proponents' Testimony:

Brenda Nordlund, Department of Justice **EXHIBIT**(tah43b01)

{Tape : 1; Side : B; Approx. Time Counter : 23.7}

Member, Tax Appeal Board

{Tape : 2; Side : A; Approx. Time Counter : 0.1}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 0.7}

Closing Statement by Sponsor:

Sen. Stang closed.

{Tape : 2; Side : A; Approx. Time Counter : 12.9}

HEARING ON HB 272

Opening Statement by Sponsor:

Rep. Billie Krenzler, House District 90, opened the hearing.

EXHIBIT(tah43b02)

{Tape : 2; Side : A; Approx. Time Counter : 13.9}

Proponents' Testimony:

Webb Brown, Montana Chamber of Commerce

{Tape : 2; Side : A; Approx. Time Counter : 19.2}

Opponents' Testimony:

Dennis Burr, Montana Taxpayers Association

{Tape : 2; Side : A; Approx. Time Counter : 20.4}

Riley Johnson, National Federation of Independent Businesses

{Tape : 2; Side : A; Approx. Time Counter : 21.8}

Informational Testimony:

Jane Jelinski, Montana Association of Counties

{Tape : 2; Side : A; Approx. Time Counter : 23}

Don Hoffman, Department of Revenue **EXHIBIT**(tah43b03) -

Amendment.

{Tape : 2; Side : A; Approx. Time Counter : 24.7}

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 27.2}

Closing by Sponsor:

The sponsor closed.

{Tape : 2; Side : B; Approx. Time Counter : 9.8}

HEARING ON AND EXECUTIVE ACTION ON HJR 2

Consideration of HJR 2 was continued from January 20.

ARCO DISTRIBUTION SETTLEMENT

Motion:

Rep. Story MOVED to include the ARCO settlement in "All Other Income" for 1999.

{Tape : 2; Side : B; Approx. Time Counter : 18.5}

Discussion:

{Tape : 2; Side : B; Approx. Time Counter : 20.4}

Vote:

On a voice vote, the **MOTION PASSED**, 19 - 1. Rep. Orr voting no.

{Tape : 2; Side : B; Approx. Time Counter : 21.2}

CYPRUS MINES (Result of Litigation on Property Tax)

Motion/Vote:

Rep. Story MOVED to add the amount of the settlement, \$2,054,000, to page 3, line 12 and 13 in the year 1999. On a voice vote, the **MOTION PASSED**, 18 - 2. Rep. Orr and Rehbein voting no.

{Tape : 2; Side : B; Approx. Time Counter : 26.9}

FOREST FIRE REIMBURSEMENT

Motion/Vote:

Rep. Somerville MOVED to add federal reimbursement of \$2,106,000, or a net increase of \$1,088,000 over the ROC estimate to "All Other Income." On a voice vote, the **MOTION PASSED**, 18 - 2. Orr and Rehbein voting no.

{Tape : 3; Side : A; Approx. Time Counter : 1.1}

RIT ADJUSTMENT

Rep. Story MOVED to place the revisions due to the decreases in oil prices in the Resolution. The **MOTION PASSED** unanimously.

{Tape : 3; Side : A; Approx. Time Counter : 5.6}

Rep. Story MOVED to authorize the staff to make the appropriate reductions reflected by the oil prices adopted by the Committee.

On a voice vote, the **MOTION PASSED, 18 - 2.** Rehbein and Orr voting no.

CI 75 REVENUE

Terry Johnson, LFD

{Tape : 3; Side : A; Approx. Time Counter : 10.1}

Judy Paynter, DOR EXHIBIT(tah43b04)

{Tape : 3; Side : A; Approx. Time Counter : 15.5}

Dave Woodgerd, Legal Counsel, DOR

{Tape : 3; Side : A; Approx. Time Counter : 21.5}

Discussion:

{Tape : 3; Side : A; Approx. Time Counter : 24.6}

STATE FUND DIVIDEND

{Tape : 4; Side : A; Approx. Time Counter : 0.1}

TOBACCO SETTLEMENT

EXHIBIT(tah43b05) {Tape : 4; Side : A; Approx. Time Counter : 5.5}

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 11.3}

Motion/Vote:

Rep. Gillan MOVED to include \$11,228,000 in FY 2000 and \$8,823,000 in FY 2001 with appropriate language that explains that because of factors beyond the control of Montana may affect the timing and actual amount. On a voice vote, the **MOTION PASSED, 16 - 4.** Raney, Rehbein, Orr and Davies voting no.

{Tape : 4; Side : B; Approx. Time Counter : 21.4}

Motion/Vote:

Rep. Story MOVED that HJR 2, as amended, **DO PASS.** On a voice vote, the **MOTION PASSED, 16 - 4.** Raney, Harper, Davies and Orr voting no.

{Tape : 5; Side : A; Approx. Time Counter : 4.9}

Adjourn. {Tape : 5; Side : A; Approx. Time Counter : 6}

ADJOURNMENT

Adjournment: 12:15 P.M.

REP. CHASE HIBBARD, Chairman

DONNA GRACE, Secretary

CH/DG

EXHIBIT (tah43bad)